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**FISCAL IMPACT STATEMENT**

**LS 7781**

**BILL NUMBER:** SB 400

**NOTE PREPARED:** Apr 2, 2007

**BILL AMENDED:** Apr 2, 2007

**SUBJECT:** Basic Workforce Skills Training.

**FIRST AUTHOR:** Sen. Ford

**FIRST SPONSOR:** Rep. Mays

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill establishes the Workforce Skill Advancement Project (Project), a program to assess an individual's basic occupational skills and to provide remedial training if the assessment uncovers deficiencies in the individual's occupational skills. It provides that the Department of Workforce Development shall administer the Project, and authorizes the Department of Workforce Development to develop policies and adopt rules pertaining to the Project. It also provides that an individual who receives unemployment benefits may participate in the Project.

**Effective Date:** (Amended) July 1, 2007.

**Explanation of State Expenditures:** (Revised) The bill establishes the Workforce Skill Advancement Project and requires the DWD to administer the Project. The bill authorizes DWD to develop a policy to provide a uniform incentive payment of up to \$500 per individual for participation in the Project. However, the bill requires that the DWD annually pay these incentives until \$5 M has been paid during the year. The bill specifies that money is annually appropriated to the DWD from the state General Fund in an amount sufficient to implement the duties and obligations of the DWD under the Project.

Under the bill, an individual who applies for unemployment insurance and is found to be eligible for unemployment insurance benefits may participate in a "work keys" skills assessment. The "work keys" is a three stage standardized employability skills assessment tool implemented by DWD. The bill also allows such an individual to participate in a skill remediation component for each occupational area in which the individual's skill levels are deficient, as determined by the work keys skill assessment. Regional workforce boards along with local elected officials are required to develop a plan of short-term training options (not exceed in 6 weeks in length) and placement assistance for participants in the Project. The bill provides that

an individual who is job attached and temporarily laid off may participate in the Project.

The incentive provisions allow the DWD to determine whether completion of the Project is necessary to receive the incentive payment, and allows an individual who is job attached to receive the incentive the same as any other individual.

The bill requires the regional boards to annually submit program status reports to the DWD. The bill also requires the DWD to compile these reports and submit them to the General Assembly. The March 26, 2007, state vacant position report indicates that the DWD has 189 vacant full-time positions.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development; Regional Workforce Boards.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.